

LENIN'S  
*IMPERIALISM: THE HIGHEST STAGE OF*  
*CAPITALISM*  
ABRIDGED AND ANNOTATED

---



## CONTENTS

PREFACE .....	2
I. CONCENTRATION OF PRODUCTION AND MONOPOLIES.....	3
II. BANKS AND THEIR NEW ROLE .....	8
III. FINANCE CAPITAL AND THE FINANCIAL OLIGARCHY.....	13
IV. EXPORT OF CAPITAL .....	16
V. DIVISION OF THE WORLD AMONG CAPITALIST ASSOCIATIONS.....	19
VI. DIVISION OF THE WORLD AMONG THE GREAT POWERS .....	24
VII. IMPERIALISM AS A SPECIAL STAGE OF CAPITALISM.....	28
VIII. PARASITISM AND DECAY OF CAPITALISM.....	33
IX. CRITIQUE OF IMPERIALISM .....	38
X. THE PLACE OF IMPERIALISM IN HISTORY .....	43

## PREFACE

The following is a moderately abridged version of Lenin's 1914 work *Imperialism: The Highest Stage of Capitalism*.

This work contains the major points of *Imperialism* and some footnotes with brief, simplified explanations of the major points Lenin makes. This is by no means an attempt to supplant a reading of Lenin, but to supplement it: the reader is still recommended to read the original work in full.

Lenin's work and the assertions contained therein have been decisively proven correct with the passage of time. This will be made abundantly clear in the following reading.

J. VOLKER

# I. CONCENTRATION OF PRODUCTION AND MONOPOLIES

The enormous growth of industry and the remarkably rapid concentration of production in ever-larger enterprises are one of the most characteristic features of capitalism. Modern production censuses give most complete and most exact data on this process.

If we take what in Germany is called industry, we get the following picture. 0.9% of enterprises employ 5.7 million workers out of a total of 14.4 million, 39.4%; they use 1.2 million kilowatts of electricity out of a total of 1.5 million, 77.2%.

As we shall see, the banks make this superiority of a handful of the largest enterprises still more overwhelming. Millions of small, medium and even some big “proprietors” are in fact in complete subjection to some hundreds of millionaire financiers.<sup>1</sup>

In the United States of America, the concentration of production is still greater. In 1909, large-scale enterprises numbered 3,060 (out of 268,491, or 1.1%), employing 2 million workers (out of 6.6 million, 30.5%) with an output valued at \$9 billion (out of \$20.7 billion, 43.8%).<sup>2</sup>

Almost half the total production of all the enterprises of the country was carried on by 1% of these enterprises!<sup>3</sup> These 3,000 giant enterprises embrace 258 branches of industry. From this it can be seen that at a certain stage of its development concentration leads straight to monopoly, for a score or so of giant enterprises can easily arrive at an agreement. This transformation of competition into monopoly is one of the most important—if not the most important—phenomena of modern capitalist economy, and we must deal with it in greater detail. But first we must clear up one possible misunderstanding.

American statistics speak of 3,000 giant enterprises in 250 branches of industry, as if there were only a dozen enterprises of the largest scale for each branch of industry. But this is not the case. Not in every branch of industry are

---

<sup>1</sup> Today, billionaire financiers: the whole wealth of the world is concentrated in the hands of a little over 2,600 billionaire individuals.

<sup>2</sup> Today, the “Fortune 500” companies generate \$13.8 trillion in revenue, 64% of the US’s entire GDP.

<sup>3</sup> Today: .004% of enterprises carrying out 64% of production.

there large-scale enterprises; and moreover, a very important feature of capitalism in its highest stage of development is so-called combination of production, that is to say, the grouping of different branches of industry into a single enterprise.

“Combination,” writes Hilferding, “has the effect of eliminating trade. It strengthens the position of the combined enterprises relative to the ‘pure’ enterprises, strengthens them in the competitive struggle in periods of serious depression.”

The German bourgeois<sup>4</sup> economist, Heymann, who has written a book especially on “mixed”, that is, combined, enterprises in the German iron industry, says: “Pure enterprises perish, they are crushed between the high price of raw material and the low price of the finished product.” Thus we get the following picture:

“There remain, on the one hand, the big coal companies, producing millions of tons yearly, strongly organized in their coal syndicate, and on the other, the big steel plants, closely allied to the coal mines, having their own steel syndicate. These giant enterprises, producing 400,000 tons of steel per annum, with a tremendous output of finished steel goods, employing thousands of workers quartered in company houses, and sometimes owning their own railways and ports, are the typical representatives of the German iron and steel industry. And concentration goes on further and further. Individual enterprises are becoming larger and larger. An ever-increasing number of enterprises in one, or in several different industries, join together in giant enterprises, backed up and directed by half a dozen big Berlin banks.

The truth of the teachings of Karl Marx on concentration is definitely proved. The German mining industry is ripe for expropriation.”

Such is the conclusion which a *bourgeois* economist, by way of exceptional conscientiousness, had to arrive at.

It is extremely important to note that in free-trade Britain, concentration also leads to monopoly, although somewhat later and perhaps in another form. Germany’s industries are protected by higher tariffs. But this is a circumstance which only accelerates concentration and the formation of monopolist manufacturers’ associations, cartels, syndicates, etc. It is extremely important to note that in free-trade Britain, concentration also leads to monopoly, although somewhat later. Professor Hermann Levy writes as follows:

---

<sup>4</sup> Lenin makes a point to quote specifically bourgeois-liberal economists, i.e. anti-communists.

“In Great Britain every new enterprise that wants to keep pace with the gigantic enterprises must produce such an enormous quantity of goods that it could dispose of them only by being able to sell them profitably as a result of an enormous increase in demand; otherwise, this surplus would force prices down to a level that would be unprofitable both for the new enterprise and for the monopoly combines.”<sup>5</sup>

Half a century ago, free competition appeared to the overwhelming majority of economists to be a “natural law”. Official science tried, by a conspiracy of silence, to kill the works of Marx<sup>6</sup>, who by a theoretical and historical analysis of capitalism had proved that free competition gives rise to the concentration of production, which, in turn, at a certain stage of development, leads to monopoly.<sup>7</sup>

Facts are stubborn things and they have to be reckoned with, whether we like it or not. The facts show that the rise of monopolies, as the result of the concentration of production, is a general and fundamental law of the present stage of development of capitalism.

The principal stages in the history of monopolies are the following:

(1) 1860-70, the highest stage of development of free competition; monopoly is in the barely discernible, embryonic stage.

(2) After the crisis of 1873, a lengthy period of development of cartels; but they are still the exception. They are not yet durable. They are still a transitory phenomenon.

(3) The boom at the end of the nineteenth century and the crisis of 1900-03. Cartels become one of the foundations of the whole of economic life. Capitalism has been transformed into imperialism<sup>8</sup>.

---

<sup>5</sup> This is the inherent contradiction of free trade: the big monopolies produce such a high supply of goods that the demand becomes less and less, the goods less and less profitable, and smaller-scale producers are forced to either accept bankruptcy, or produce so many goods that the goods again become worth less and less, leading regardless to bankruptcy.

<sup>6</sup> We could say they today attempt, by a “conspiracy of silence”, to kill the works of Lenin, which prove definitively that this economic system *always and in every case* leads to national bankruptcy and war.

<sup>7</sup> The freer the market, the quicker businesses may force one another into bankruptcy, the quicker small businesses are bought out by large monopolies, etc. Thus, free competition can't be a solution to monopoly, because *monopoly comes from free competition*.

<sup>8</sup> This whole pattern Lenin describes has happened cyclically throughout the 20<sup>th</sup> and 21<sup>st</sup> centuries. We could perhaps make our own sequence where, in the US, we have: (1) 1930-1970, the years of social-democracy and the New Deal, etc., state measures to prevent

Cartels come to an agreement on the terms of sale, dates of payment, etc. They divide the markets among themselves. They fix the quantity of goods to be produced. They fix prices. They divide the profits among the various enterprises, etc.<sup>9</sup>

This is something quite different from the old free competition between manufacturers, scattered and out of touch with one another, and producing for an unknown market. Concentration has reached the point at which it is possible to make an approximate estimate of all sources of raw materials of a country and even, as we shall see, of several countries, or of the whole world<sup>10</sup>.

Skilled labour is monopolised, the best engineers are engaged; the means of transport are captured—railways in America, shipping companies in Europe and America. Capitalism in its imperialist stage leads directly to the socialisation of production; it drags the capitalists, against their will and consciousness, into some sort of a new social order, a transitional one from complete free competition to complete socialisation<sup>11</sup>.

Production becomes social, but appropriation remains private. The social means of production remain the private property of a few. The general framework of formally recognised free competition remains<sup>12</sup>, and the yoke of a few monopolists on the rest of the population becomes a hundred times heavier, more burdensome and intolerable.

The German economist, Kestner, has written a book, *Compulsory Organisation*. It is instructive to glance at least at the list of the methods the

---

monopolization; (2) 1970-2000, the period of “Reaganomics”, economic deregulation, and the rise of the global oil trade to unprecedented heights, all culminating in a lengthy period of development of cartels; (3) 2000-2003, the period of extreme monopolization in the west, deregulation of large-scale banking, etc. And, like Lenin, we now exist past stage 3, in a state of constant and escalating wars which drive the major powers closer and closer into fatal confrontation with one another.

<sup>9</sup> And if they do not do these things, rival economic cartels *will*, and any cartel that does not use these measures will be driven into bankruptcy by those that do use these measures.

<sup>10</sup> Today all but a few countries are organized under the Global Bank and International Monetary Fund.

<sup>11</sup> In order to be able to compete in the free market, the capitalists have to move towards the socialization of production, which means that for capitalism to survive, it must become socialism. However, this “socialism” depends upon the labor done abroad in the imperialized countries, as we will see.

<sup>12</sup> Under monopolist economies, there are still lots of formalities about a “free market” existing, but in reality the market is almost completely monopolized.

monopolist associations resort to in the present-day, the latest, the civilised struggle for “organisation”:

(1) stopping supplies of raw materials; (2) stopping the supply of labour by means of “alliances” (agreements between the capitalists and the trade unions); (3) stopping deliveries; (4) closing trade outlets; (5) agreements with the buyers, by which the latter undertake to trade only with the cartels; (6) systematic price cutting (to ruin “outside” firms); (7) stopping credits; (8) boycott.

Here we no longer have competition between small and large, between technically developed and backward enterprises. We see here the monopolists throttling those who do not submit to them.

“Even in the purely economic sphere,” writes Kestner, “The greatest success no longer goes to the merchant whose technical and commercial experience enables him best of all to estimate the needs of the buyer; it goes to the speculative genius who knows how to estimate the organisational development and the possibilities of certain connections between individual enterprises and the banks.”

Translated into ordinary human language this means that the development of capitalism has arrived at a stage when the bulk of the profits go to the “geniuses” of financial manipulation. At the basis of these manipulations and swindles lies socialised production; but the immense profits of the mankind which achieved this socialisation goes to benefit the bourgeoisie. We shall see later how “on these grounds” petty-bourgeois critics of imperialism dream of going back to “free”, “peaceful”, and “honest” competition.<sup>13</sup>

Monopoly created in certain branches of industry increases and intensifies the anarchy inherent in capitalist production as a whole.

Monopoly! This is the last word in the “latest phase of capitalist development”. But we shall only have a very insufficient, incomplete, and poor notion of the real power and the significance of modern monopolies if we do not take into consideration the part played by the banks.

---

<sup>13</sup> “Libertarians”, “anarcho-capitalists” – petit-bourgeois opponents of imperialism and monopolism.

## II. BANKS AND THEIR NEW ROLE

The primary function of banks is to serve as middlemen in the making of payments. In doing so they collect all kinds of money revenues and place them at the disposal of the capitalist class.

As banking develops and becomes concentrated in a small number of establishments, the banks grow from modest middlemen into powerful monopolies having at their command almost all the capitalists and small businessmen and also the larger part of the means of production and sources of raw materials in any one country and in a number of countries. This transformation of numerous modest middlemen into a handful of monopolists is one of the fundamental processes in the growth of capitalism into capitalist imperialism.

The small banks are being squeezed out by the big banks, of which only nine concentrate in their hands almost half the total deposits.<sup>14</sup>

I have emphasized the reference to the “affiliated” banks because it is one of the most important distinguishing features of modern capitalist concentration. The big enterprises, and the banks in particular, not only completely absorb the small ones, but also “annex” them, subordinate them, bring them into their “own” group or “concern” (to use the technical term) by acquiring “holdings” in their capital, by purchasing or exchanging shares, by a system of credits, etc., etc. Professor Liefmann has written a voluminous work of about 500 pages describing modern “holding and finance companies”. To what results this “holding” system leads in respect of concentration is best illustrated in the book written on the big German banks by Riesser, himself a banker. But before examining his data, let us quote a concrete example of the “holding” system.

The Deutsche Bank “group” is one of the biggest of the big banking groups. In order to trace the main threads which connect all the banks in this group, a distinction must be made between holdings of the first and second and third degree, or what amounts to the same thing, between dependence (of the lesser banks on the Deutsche Bank) in the first, second and third degree. We then obtain the following picture:

---

<sup>14</sup>Today, the five richest American banks possess \$8+ trillion dollars in assets, roughly 8.5% of the entire world’s GDP.

Direct Subsidiaries	Secondary Subsidiaries	Tertiary Subsidiaries
30	14 of the 30 have holdings in 48 other banks	6 of the 14 have holdings in 9 other banks

Altogether, the Deutsche Bank group possesses, directly and indirectly, partially and totally, 87 banks; and the total capital—its own and that of others which it controls—is estimated at between two and three billion marks.<sup>15</sup>

It is obvious that a bank which stands at the head of such a group, and which enters into agreement with half a dozen other banks only slightly smaller than itself for the purpose of conducting exceptionally big and profitable financial operations like floating state loans, has already outgrown the part of “middleman” and has become an association of a handful of monopolists.

The rapidity with which the concentration of banking proceeded in Germany at the turn of the twentieth century is shown by the following data which we quote in an abbreviated form from Riesser:

SIX BIG BERLIN BANKS				
Year	Branches in Germany	Deposit banks and exchange offices	Constant holdings in German joint-stock banks	Total establishments
1895...	16	14	1	42
1900...	21	40	8	80
1911...	104	276	63	450

We see the rapid expansion of a close network of channels which cover the whole country, centralising all capital and all revenues, transforming thousands and thousands of scattered economic enterprises into a single national capitalist economy, and then into a world capitalist economy.<sup>16</sup>

<sup>15</sup> Today, the Deutsche Bank is known to possess 707 banks, most of these as direct subsidiaries. The capital controlled through these amounts to about \$1.52 trillion. (1)

<sup>16</sup> Which also gives rise to the distinction between the *national* and *cosmopolitan* capitalist classes.

Scattered capitalists are transformed into a single collective capitalist. When a bank grows to enormous dimensions we find that a handful of monopolists subordinate all the operations, both commercial and industrial, of the whole capitalist economy; they are enabled by means of their banking connections, their current accounts and other financial operations to ascertain exactly the financial position of the various capitalists, then to control them, to influence them by restricting or enlarging, facilitating or hindering credits, and finally to entirely determine their fate, determine their income, deprive them of capital, or permit them to increase their capital rapidly and to enormous dimensions, etc.<sup>17</sup>

Commenting on the Disconto Gesellschaft, the German review *Die Bank* wrote:

“Other banks will follow this same path and in time the three hundred men, who today govern Germany economically, will gradually be reduced to fifty, twenty-five or still fewer.”

Germany is governed by not more than three hundred magnates of capital, and the number of these is constantly diminishing.<sup>18</sup> At all events, banks greatly intensify and accelerate the process of concentration of capital and the formation of monopolies in all capitalist countries.

The banking system “possesses, indeed, the form of universal book-keeping and distribution of means of production on a social scale, but solely the form.”

Wrote Marx in *Capital* half a century ago. “Universal distribution of means of production”—that, from the formal aspect, is what grows out of the modern banks, which, numbering some three to six of the biggest in France, and six to eight in Germany, control millions and millions.<sup>19</sup>

The change from the old type of capitalism, in which free competition predominated, to the new capitalism, in which monopoly reigns, is expressed,

---

<sup>17</sup> Put simply: a handful of bankers may control the global economy, and this control transcends from economic to *social* and thus *political* control.

<sup>18</sup> Today, the top ten richest people in the world – nine of them American, one French – control over \$1 trillion in capital, about 1/3<sup>rd</sup> the amount possessed by the world’s richest bank (JP Morgan Chase).

<sup>19</sup> In this way, *banks have achieved socialism*: financier states are, ultimately, planned and socialized economies that are run by individuals and private interests, and depend upon foreign labor and resources. A financier state is a socialist state, with the difference being that it *requires constant war and parasitism* to sustain itself. The workers of a parasite-state, therefore, *will support this “socialism”*. Lenin elaborates on this later.

among other things, by a decline in the importance of the Stock Exchange. The review, *Die Bank*, writes:

The Stock Exchange has long ceased to be the indispensable medium of circulation that it formerly was when the banks were not yet able to place the bulk of new issues with their clients.

Every bank is a Stock Exchange, and the bigger the bank, and the more successful the concentration of banking, the truer does this modern aphorism ring.

The German Professor Schulze-Gaevernitz, an apologist of German imperialism who is regarded as an authority by the imperialists of all countries, writes:

The domination of our big banks over the Stock Exchange is nothing else than the expression of the completely organised German industrial state.

In other words, the old capitalism, the capitalism of free competition with its indispensable regulator, the Stock Exchange, is passing away. A new capitalism has come to take its place, bearing obvious features of something transient, a mixture of free competition and monopoly. The question naturally arises: into what is this new capitalism, capitalism in its imperialist stage, developing?

Among the few banks which remain at the head of all capitalist economies as a result of the process of concentration, there is naturally to be observed an increasingly marked tendency towards monopolist agreements, towards a bank trust. In America, not nine, but two very big banks, those of the multimillionaires Rockefeller and Morgan, control a capital of eleven billion marks.<sup>20</sup>

As regards the close connection between the banks and industry, it is precisely in this sphere that the new role of the banks is most strikingly felt. When a bank opens an account for a company, and such operations are multiplied and become an established practice, when the bank “collects” in its

---

<sup>20</sup> The JP Morgan Chase bank was itself founded by John Piermont Morgan, an American financier who in 1895 helped save the US treasury from bankruptcy by donating gold today worth (x) alongside (x) Rothschild. JP Morgan Chase & Co. is still the richest bank in the world, with \$3.3 trillion in total assets – through the 70s and 80s, it was owned by the industrialist David Rockefeller, and Rockefeller is in turned owned (quite literally) by the Rothschild banking family – the Rothschild Investment Trust today owns 37% of the Rockefeller Investment Trust, and a considerable sum further in ExxonMobil, Chevron, etc.

own hands enormous amounts of capital, when the running of an account for a given trust enables the bank to obtain fuller and more detailed information about the economic position of its client, the result is that the industrial capitalist becomes more completely dependent on the bank.<sup>21</sup>

At the same time a personal link-up, so to speak, is established between the banks and the biggest industrial and commercial enterprises, the merging of one with another through the acquisition of shares, through the appointment of bank directors to the Supervisory Boards (or Boards of Directors) of industrial and commercial enterprises, and vice versa.<sup>22</sup>

The “personal link-up” between the banks and industry is supplemented by the “personal link-up” between both of them and the government.<sup>23</sup>

A sort of division of labour is being systematically developed amongst the several hundred kings of finance who reign over modern capitalist society. The result is, on the one hand, the ever-growing merger of bank and industrial capital and, on the other hand, the growth of the banks into institutions of a truly “universal character”.<sup>24</sup>

The old capitalism has had its day. The new capitalism represents a transition towards something. It is hopeless, of course, to seek for “firm principles and a concrete aim” for the purpose of “reconciling” monopoly with free competition. The twentieth century marks the turning-point from the old capitalism to the new, from the domination of capital in general to the domination of finance capital.<sup>25</sup>

---

<sup>21</sup> In order to receive funding from the banks, industrial corporations have to provide detailed information on themselves to the banks. Thus, the banks introduce centralization in planning, management, and statistics, by bringing all the various industrial corporations under the central control of the bank. *The industrial capitalists belong to the financial capitalists.*

<sup>22</sup> This is still very much the case, and the reader may prove it to themselves by looking at the board of directors for any major industrial corporation in the United States or Western Europe.

<sup>23</sup> In 20(x), Michael Bloomberg, the largest donor of the American Democratic Party who ran for President in 2020, said: “If only my dad knew I was friends with David Rockefeller and Jacob Rothschild. He would be so proud!”

<sup>24</sup> Banks begin to control *everything*: media, schooling, health guidelines, politics, laws, etc. In imperialist society, each and every one of these things can be traced to the major banking institutions.

<sup>25</sup> Which also implies the transition of even some smaller scale industrial monopolies from a dominating, into a partially-dominated, i.e. *exploited* force; antagonisms exist between industrial and financial capitalists which can undermine their natural tendency to coalesce.

### III. FINANCE CAPITAL AND THE FINANCIAL OLIGARCHY

“A steadily increasing proportion of capital in industry,” writes Hilferding, “ceases to belong to the industrialists who employ it. They obtain the use of it through the banks which, in relation to them, represent the owners of the capital. This bank capital, capital in money form, I call ‘finance capital’. **Finance capital is capital controlled by banks and used by industrialists.**”

The concentration of production; the monopolies arising therefrom; the merging or coalescence of the banks with industry—such is the history of the rise of finance capital and such is the content of that concept.

The facts concerning the rule of the financial oligarchy are so glaring that in all capitalist countries, in America, France and Germany, that a whole literature has sprung up, written from the bourgeois point of view, which gives a fairly truthful picture and criticism—petty-bourgeois, naturally—of this oligarchy.

[The following is perhaps one of the most crucial segments of the entire book – *ed.*]

Paramount importance is attached to the “holding system”, already briefly referred to earlier. The German economist, Heymann, probably the first to call attention to this matter, describes the essence of it in this way:

“The head of the concern controls the mother company; the latter reigns over the daughter companies, which in their turn control other subsidiaries, etc. **In this way, it is possible with a comparatively small capital to dominate immense spheres of production.** If holding 50.01% of the capital is always sufficient to control a company, the head of the concern needs only \$1 million to control \$8 million in the second subsidiaries. And if this ‘interlocking’ is extended, it is possible with \$1 million to control \$16 million, \$32 million, etc.”

But the “holding system” not only serves enormously to increase the power of the monopolists; it also enables them to resort with impunity to all sorts of shady and dirty tricks to cheat the public, because *formally the directors of the “mother company” are not legally responsible for the “daughter company”*.

None of the rules of control, the publication of balance-sheets, the drawing up of balance-sheets according to a definite form, the public auditing of

accounts, etc., are of any avail; for *private property is sacred, and no one can be prohibited from buying, selling, exchanging or hypothecating shares, etc.*

Finance capital, concentrated in a few hands and exercising a virtual monopoly, exacts enormous and ever-increasing profits from the floating of companies, issue of stock, state loans, etc., strengthens the domination of the financial oligarchy and levies tribute upon the whole of society for the benefit of monopolists.

During periods of industrial boom, the profits of finance capital are immense, but during periods of depression, small and unsound businesses go out of existence, and the big banks acquire “holdings” in them by buying them up for cheap.

Speculation in land situated in the suburbs of rapidly growing cities is a particularly profitable operation for finance capital. The monopoly of the banks merges here with the monopoly of real estate and with monopoly of communication, since the rise in the price of land and the possibility of selling it profitably in lots is mainly dependent on good means of communication with the centre of the town; and these means of communication are in the hands of large companies which are connected with these same banks through the holding system and the distribution of seats on the boards<sup>26</sup>.

“American ethics”, which the European professors and well-meaning bourgeois so hypocritically deplore, have, in the age of finance capital, become the ethics of literally every large city in any country<sup>27</sup>. A monopoly inevitably penetrates into every sphere of public life, regardless of the form of government and all other “details”. In German economic literature one usually comes across praise of the integrity of the Prussian bureaucracy, and allusions to the French Panama scandal<sup>28</sup> and to political corruption in America. But the fact is that even bourgeois literature devoted to German banking matters constantly has to admit that “the economic liberty guaranteed by the German Constitution has become in many departments of economic life a meaningless phrase,” and that under the existing rule of the plutocracy, “even the widest

---

<sup>26</sup> The reader only needs to search up a major telecom corporation’s board of directors to see the way this correlation works nowadays.

<sup>27</sup> Lenin here most likely means cosmopolitanism, i.e. “globalism”, loss of cultural identity and social belonging, the ethic of finance capitalism.

<sup>28</sup> We have our own “Panama Scandal” in the modern day – the Panama Papers incident. The reader can look into it.

political liberty cannot save us from being converted into a nation of unfree people”<sup>29</sup>.

It is characteristic of capitalism in general that the ownership of capital is separated from the application of capital to production, that money capital is separated from industrial or productive capital, and that the rentier who lives entirely on income obtained from money capital, is separated from the entrepreneur and from all who are directly concerned in the management of capital. *Imperialism, or the domination of finance capital, is that highest stage of capitalism in which this separation reaches vast proportions.* The supremacy of finance capital over all other forms of capital means the predominance of the rentier and of the financial oligarchy; it means that a small number of financially “powerful” states stand out among all the rest.

It is particularly important to examine the part which the export of capital plays in creating the international network of dependence on and connections of finance capital.

---

<sup>29</sup> Such is global banking, which enslaves whole nations to a clique of cosmopolitan financiers.

## IV. EXPORT OF CAPITAL

[This chapter deals with the process of *de-industrialization*, the economic mechanism which drives a large deal of social and cultural decay. All wishful thinking of “the good old days” in the modern era is at the same time a loathing for the export of capital. – ed.]

Typical of the old capitalism, when free competition held undivided sway, was the export of goods. Typical of the latest stage of capitalism, when monopolies rule, is the export of *capital*.<sup>30</sup>

Capitalism is commodity production at its highest stage of development, when labour-power itself becomes a commodity.<sup>31</sup>

The uneven development of enterprises is inevitable under the capitalist system. England became a capitalist country before any other, and by the middle of the nineteenth century, having adopted free trade, claimed to be the “workshop of the world”, the supplier of manufactured goods to all countries, which in exchange were to keep England provided with raw materials. But in the last quarter of the nineteenth century, this monopoly was already undermined; for other countries, sheltering themselves with “protective” tariffs, developed into independent capitalist states. On the threshold of the twentieth century we see the formation of a new type of monopoly: firstly, monopolist associations of capitalists in each of the capitalistically developed countries; secondly, the monopolist association of a few very rich countries, in which the accumulation of capital has reached gigantic proportions. An enormous “surplus of capital” has arisen in the advanced countries.

It goes without saying that if capitalism could develop agriculture, which today is everywhere lagging terribly behind industry, there could be no question of a surplus of capital. But if capitalism did this, it would not be

---

<sup>30</sup> The difference between ‘goods’ and capital is that:

A ‘good’ is a material thing, with material uses.

Capital is an immaterial thing, a *social relationship* – a ‘good’ which is owned by one person and used by another is capital. A capitalist is one who owns ‘goods’ (raw materials, industrial machines, etc.) and employs workers to use them. This is a simplified explanation, but it is the general idea.

<sup>31</sup> For capital to exist, there must naturally be a class of people who work but do not own the machines they are working with. The only thing such people have to sell is their labor, i.e. they must turn their labor into a commodity to be bought and sold on the market by capitalists.

capitalism.<sup>32</sup> As long as capitalism remains what it is, surplus capital will be utilised not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, *but for the purpose of increasing profits by exporting capital abroad to the undeveloped countries.*

In these backward countries profits are comparatively high, for competitors are scarce, the price of land is relatively low, wages are low, raw materials are cheap. The need to export capital arises from the fact that in a few countries capitalism has become “overripe” and (owing to the backward state of agriculture and the poverty of the masses) capital cannot find a field for “profitable” investment.<sup>33</sup>

The export of capital influences and greatly accelerates the development of capitalism in those countries to which it is exported. While, therefore, the export of capital may tend to a certain extent to arrest development in the richest countries, it can only do so by expanding and deepening the further development of capitalism throughout the world.<sup>34</sup>

Finance capital has created the epoch of monopolies, and monopolies introduce everywhere monopolist principles: the utilisation of “connections” for profitable transactions takes the place of competition on the open market.

A report from the Austro-Hungarian Consul at San-Paulo (Brazil) states:

“The Brazilian railways are being built chiefly by French, Belgian, British and German capital.”<sup>35</sup>

---

<sup>32</sup> It would be blatantly irrational for a competent businessman to spend large sums on the industrialization of agriculture, when agriculture yields very, *very* low profits and is only necessary to develop insofar as it keeps everyone fed. Today, the ten richest countries in the world each have about 60%-90% of their workers in “service”, i.e. finance banking and related enterprises (Lenin will discuss these later). In the ten poorest countries, 60%-90% of each workforce is occupied in agriculture.

<sup>33</sup> In other words, in the richest countries, there has been such a high production of goods that now supply far exceeds demand; the price of land has greatly increased; labor movements have risen wages; etc.

<sup>34</sup> In order to exploit a country full of coal mines, the financier must also have railroads built from the mines to the ports in that country. Hence, in order to exploit nations, financiers are forced to also empower them economically, sowing these nations’ later rebellion.

<sup>35</sup> I will let the reader find out which French-German-British banking family known for building Brazilian railroads likely led to this observation.

Thus finance capital spreads its net over all countries of the world. An important role in this is played by banks founded in the colonies and by their branches.

The capital-exporting countries have divided the world among themselves in the figurative sense of the term. But finance capital has led to the actual division of the world.

## V. DIVISION OF THE WORLD AMONG CAPITALIST ASSOCIATIONS

Monopolist capitalist associations, cartels, syndicates and trusts first divided the home market among themselves and obtained more or less complete possession of the industry of their own country. But under capitalism the home market is inevitably bound up with the global market.

Capitalism long ago created a world market.<sup>36</sup> As the export of capital increased, things “naturally” gravitated towards an international agreement among capitalist associations, and towards the formation of international cartels.

This is a new stage of world concentration of capital and production, incomparably higher than the preceding stages. Let us see how this supermonopoly develops.

In Germany, the crisis of 1900 gave a particularly strong impetus to concentration. During the crisis, the banks, which by that time had become fairly well merged with industry, enormously accelerated and intensified the ruin of relatively small firms and their absorption by the large ones.

“The banks,” writes Jeidels, “refused a helping hand to the very firms in greatest need of capital, and brought on first a frenzied boom and then the hopeless failure of the companies which had not been connected with them closely enough.”<sup>37</sup>

And then, in 1907, the German and American trusts concluded an agreement by which they divided the world between them. Competition between them ceased. The American General Electric Company (G.E.C.) “got” the United States and Canada. The German General Electric Company (A.E.G.) “got” Germany, Austria, Russia, Holland, Denmark, Switzerland, Turkey and the Balkans. Special agreements, naturally secret, were concluded regarding the penetration of “daughter companies” into new branches of industry, into “new” countries formally not yet allotted. The two trusts were to exchange inventions and experiments.

---

<sup>36</sup> The basis of today’s “global economy”, globalism, cosmopolitanism, etc., etc.

<sup>37</sup> The reader may look into the 2008 United States automobile industry crisis to see a modern example of this.

As a result, after 1900, concentration in Germany progressed with giant strides. Up to 1900 there had been seven or eight “groups” in the electrical industry. Each consisted of several companies (altogether there were 28) and each was backed by from 2 to 11 banks. Between 1908 and 1912 all these groups were merged into two, or one.

The famous A.E.G. (General Electric Company), which grew up in this way, controls 175 to 200 companies (through the “holding” system), and a total capital of approximately 1,500 million marks. Of direct agencies abroad alone, it has thirty-four, of which twelve are joint-stock companies, in more than ten countries. As early as 1904 the amount of capital invested abroad by the German electrical industry was estimated at 233 million marks. Of this sum, 62 million were invested in Russia. Needless to say, the A.E.G. is a huge “combine”—its manufacturing companies alone number no less than sixteen—producing the most diverse articles, from cables and insulators to motor-cars and flying machines.

And then, in 1907, the German and American trusts concluded an agreement by which they divided the world between them. Competition between them ceased. The American General Electric Company (G.E.C.) “got” the United States and Canada. The German General Electric Company (A.E.G.) “got” Germany, Austria, Russia, Holland, Denmark, Switzerland, Turkey and the Balkans. Special agreements, naturally secret, were concluded regarding the penetration of “daughter companies” into new branches of industry, into “new” countries formally not yet allotted. The two trusts were to exchange inventions and experiments.

The difficulty of competing against this trust, actually a single world-wide trust controlling a capital of several thousand million, with “branches”, agencies, representatives, connections, etc., in every corner of the world, is self-evident. But the division of the world between two powerful trusts does not preclude redivision if the relation of forces changes as a result of uneven development, war, bankruptcy, etc.

An instructive example of an attempt at such a redivision, of the struggle for redivision, is provided by the oil industry.

[The reader is instructed to play close attention to the following passage. Today, it would surely see Lenin labeled a “conspiracy theorist”. – ed.]

“The world oil market is even today still divided between two great financial groups—Rockefeller’s American Standard Oil Co., and Rothschild and Nobel, the controlling interests of the Russian oilfields in Baku. The two groups are closely connected.”

A struggle began for the “division of the world”, as, in fact, it is called in economic literature. On the one hand, the Rockefeller “oil trust” wanted to lay its hands on everything; it formed a “daughter company” right in Holland, and bought up oilfields in the Dutch Indies, in order to strike at its principal enemy, the Anglo-Dutch Shell trust<sup>38</sup>. On the other hand, the Deutsche Bank and the other German banks aimed at “retaining” Romania “for themselves” and at uniting her with Russia against Rockefeller – Rockefeller possessed far more capital and an excellent system of oil transportation and distribution. The struggle had to end, and did end in 1907, with the utter defeat of the Deutsche Bank, which was confronted with the alternative: either to liquidate its oil interests and lose millions, or submit. *It chose to submit*, and concluded a very disadvantageous agreement. The Deutsche Bank agreed “*not to attempt anything which might injure American interests*”. A clause was made, however, requiring annulment of the agreement in the event of Germany establishing a state oil monopoly.

Then the “comedy of oil” began. One of the German finance kings, von Gwinner, a director of the Deutsche Bank, through his private secretary Stauss, launched a campaign *for* a state oil monopoly. The gigantic machine of the huge German bank and all its wide “connections” were set in motion. The press bubbled over with “patriotic” indignation against the “yoke” of the American trust, and, on March 15, 1911, the Reichstag, by an almost unanimous vote, adopted a motion asking the government to introduce a bill for the establishment of an oil monopoly. The government seized upon this “popular” idea, and the game of the Deutsche Bank, which hoped to cheat its American counterpart and improve its business by a state monopoly, appeared to have been won. The German oil magnates already saw visions of enormous profits, which would not be less than those of the Russian sugar refiners...

But, firstly, the big German banks quarrelled among themselves over the division of the spoils. The Disconto-Gesellschaft exposed the covetous aims of the Deutsche Bank; secondly, the government took fright at the prospect of a struggle with Rockefeller, for it was very doubtful whether Germany could

---

<sup>38</sup> Shell at this time had just purchased its Caspian oil fields from Rothschild.

be sure of obtaining oil from other sources if theirs were lost; thirdly, just at that time the 1913 credits of a thousand million marks were voted for Germany's war preparations. The oil monopoly project was postponed. The Rockefeller "oil trust" came out of the struggle, for the time being, victorious.

The Berlin review, *Die Bank*, wrote that Germany could fight the oil trust only by establishing an electricity monopoly and by converting water-power into cheap electricity.

"But," the author added, "the electricity monopoly will come when the producers need it, that is to say, when the next great crash in the electrical industry is imminent, and when the gigantic expensive power stations now being put up at great cost everywhere by private electrical concerns can no longer work at a profit. So it was with the nitrate monopoly, so it is with the oil monopoly, so it will be with the electric power monopoly. It is time our state socialists, who allow themselves to be blinded by a beautiful principle, understood, at last, that in Germany the monopolies have never pursued the aim, nor have they had the result, of benefiting the consumer, or even of handing over to the state part of the promoter's profits; they have served only to facilitate, at the expense of the state, the recovery of private industries which were on the verge of bankruptcy.

Such are the valuable admissions which the German bourgeois economists are forced to make. We see plainly here how private and state monopolies are interwoven in the epoch of finance capital; how both are but separate links in the imperialist struggle between the big monopolists for the division of the world.

Extremely instructive also is the story of the formation of the International Rail Cartel. The first attempt of the British, Belgian and German rail manufacturers to form such a cartel was made as early as 1884, during a severe industrial depression. The manufacturers agreed not to compete with one another in the home markets of the countries involved, and they divided the foreign markets between each other. But by 1886 the cartel collapsed when two British firms retired from it. It is characteristic that an agreement could not be achieved during subsequent boom periods.

Let me also mention the International Dynamite Trust, which, Liefmann says, is "quite a modern, close alliance of all the German explosives manufacturers who, with the French and American dynamite manufacturers, organised in a similar manner, have divided the whole world among themselves, so to speak".

[In the following section, Lenin debunks the social-democratic “anti-Imperialism” of pseudo-Marxists and the like. It is extremely instructive for combating the reformism of the modern day. – ed.]

Certain bourgeois writers (now joined by social-democrats) have expressed the opinion that international cartels, being one of the most striking expressions of the globalization of capital, give the hope of *peace* among nations under capitalism.

Theoretically, this opinion is *absolutely absurd*, while in practice it is *sophistry* and a *dishonest defence of the worst opportunism*. Naturally, it is in the interests of, for example, the German bourgeoisie, to obscure the substance of the present economic struggle (the division of the world). Of course, we have in mind not only the German bourgeoisie, but the bourgeoisie all over the world. **The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits.**

To substitute the question of the *form* of the struggle and agreements (today peaceful, tomorrow warlike, the next day warlike again) for the question of the *substance* of the struggle and agreements between capitalist associations is to sink to the role of a sophist. The epoch of the latest stage of capitalism shows us that certain relations between capitalist associations grow up, while parallel to them, and in connection with them, certain relations grow up between political alliances, between states, on the basis of the territorial division of the world, of the struggle for colonies, of the “struggle for spheres of influence”.

## VI. DIVISION OF THE WORLD AMONG THE GREAT POWERS

The characteristic feature of the period under review is the final partitioning of the globe—final, not in the sense that repartition is impossible; on the contrary, repartitions are possible and inevitable—but in the sense that the colonial policy of the capitalist countries has completed the seizure of the unoccupied territories on our planet.

In 1852, Disraeli, a statesman who was generally inclined towards imperialism, declared: “The colonies are millstones around our necks.” But at the end of the nineteenth century the British heroes of the hour were Cecil Rhodes and Joseph Chamberlain, who openly advocated imperialism and applied the imperialist policy in the most cynical manner!

Chamberlain advocated imperialism as a “true, wise and economical policy”, and pointed particularly to the German, American and Belgian competition which Great Britain was encountering in the world market. And Cecil Rhodes, according to the journalist Stead, expressed his imperialist views in 1895 in the following terms:

“I was in the working-class quarter of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for ‘bread! bread!’ and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism.... In order to save the 40 million inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced in the factories and mines. If you want to avoid civil war, you must become imperialists.

That was said in 1895 by Cecil Rhodes, millionaire, a king of finance, the man who was mainly responsible for the Anglo-Boer War.<sup>39</sup> True, his defence of imperialism is crude and cynical, but in substance Cecil Rhodes was a somewhat more honest chauvinist....

Finance capital is such a great force in all economic and international relations that it is capable of subordinating even states enjoying the fullest political independence; we shall shortly see examples of this. Colonial policy and imperialism existed before the latest stage of capitalism, and even before

---

<sup>39</sup> And the man responsible for a large part of Britain’s colonial policy.

capitalism itself. Rome, founded on slavery, pursued a colonial policy and practiced imperialism. But “generalizations” on imperialism, which ignore the fundamental difference between socio-economic formations, inevitably turn into the most vapid comparisons, like: “Greater Rome or Greater Britain.” Even the capitalist colonial policy of previous stages of capitalism is essentially different from the colonial policy of finance capital.<sup>40</sup>

The principal feature of the latest stage of capitalism is the domination of monopolist associations of big employers. These monopolies are most firmly established when all the sources of raw materials are captured by one group, and we have seen with what zeal the international capitalist associations exert to deprive their rivals of all opportunity of competing to buy up, for example, oil fields, etc.

The more capitalism is developed, the more strongly the shortage of raw materials is felt, the more intense the competition and the hunt for sources of raw materials throughout the whole world, the more desperate the struggle for the acquisition of colonies.

“It may be asserted,” writes Schilder, “although it may sound paradoxical to some, that in the more or less foreseeable future the growth of the urban and industrial population is more likely to be hindered by a shortage of raw materials for industry than by a shortage of food.”

For example, there is a growing shortage of timber—the price of which is steadily rising—of leather, and of raw materials for the textile industry.<sup>41</sup>

Of course, the bourgeois reformists try to belittle the importance of facts of this kind by arguing that raw materials “could be” obtained in the open market without a “costly and dangerous” colonial policy. But such arguments become an apology for imperialism, because they ignore the principal feature of the latest stage of capitalism: monopolies. The free market is becoming more and more a thing of the past; monopolist syndicates and trusts are restricting it with every passing day, and “simply” improving conditions in agriculture means improving the conditions of the masses, raising wages and reducing profits. Where, except in the imagination of sentimental reformists, are there

---

<sup>40</sup> “Imperialism” has always existed; but *imperialism*, in the sense Lenin speaks of it, is a particular feature of global financial capitalism.

<sup>41</sup> In America, a shortage of oil and lithium, which has led to wars and coups.

any companies capable of concerning themselves with the condition of the masses instead of the conquest of profits?

Finance capital is interested not only in the already discovered sources of raw materials but also in potential sources, because present-day technical development is extremely rapid, and land which is useless today may be improved tomorrow if new methods are devised. Hence, the inevitable striving of finance capital to enlarge its spheres of influence and even its actual territory.

The interests pursued in exporting capital also give an impetus to the conquest of colonies, for in the colonial market it is easier to employ monopoly methods to eliminate competition, to ensure supplies, to secure the necessary “connections”, etc.

The non-economic superstructure which grows up on the basis of finance capital, its politics and its ideology, stimulates the striving for colonial conquest.<sup>42</sup>

A French bourgeois writer writes that social causes should be added to the economic causes of modern colonial policy:

“Owing to the growing complexities of life and the difficulties which weigh not only on the masses of the workers, but also on the middle classes, impatience, irritation and hatred are accumulating in all the countries of the old civilisation and are becoming a menace to public order; the energy which is being hurled out of the definite class channel must be given employment abroad in order to avert an explosion at home.”<sup>43</sup>

In order to finish with the question of the division of the world, I must make the following additional observation. Let me quote Driault, the historian, who wrote the following:

“All the free territory of the globe has been occupied by the powers of Europe and North America. This has already brought about several conflicts and shifts of spheres of influence, and these foreshadow more terrible upheavals in the near future. The nations which have not yet made provision for themselves run the risk of never receiving their share and never participating in the tremendous exploitation of the globe which will be one of the most essential features of the next century (the

---

<sup>42</sup> The actual citizens of imperialist nations begin to develop an imperialist *consciousness*, a striving for war and a hatred for work. I.e., it creates the psychology of chauvinism and cosmopolitanism.

<sup>43</sup> In other words, the state *must* commit to imperialism, or the people will react negatively and overthrow the state.

twentieth). That is why all Europe and America have lately been afflicted with the fever of colonial expansion, of 'imperialism', that most noteworthy feature of the end of the nineteenth century."

## VII. IMPERIALISM AS A SPECIAL STAGE OF CAPITALISM

We must now try to sum up, to draw together the threads of what has been said above on the subject of imperialism.

Imperialism emerged as the development and direct continuation of the fundamental characteristics of capitalism in general. But capitalism only became capitalist imperialism at a definite and very high stage of its development, when certain of its fundamental characteristics began to change into their opposites. Economically, the main thing in this process is the displacement of capitalist free competition by capitalist monopoly. Free competition is the basic feature of capitalism; monopoly is the exact opposite of free competition, but we have seen the latter being transformed into monopoly before our eyes, creating large-scale industry and forcing out small industry, and carrying concentration of production and capital to the point where out of it has grown monopoly: cartels, syndicates and trusts, and merging with them, the capital of a dozen or so banks, which control billions. At the same time the monopolies, which have grown out of free competition, do not eliminate the latter, but exist above it and alongside it, and thereby give rise to a number of very acute, intense antagonisms, frictions and conflicts.<sup>44</sup> Monopoly is the transition from capitalism to a higher system.

If it were necessary to give the briefest possible definition of imperialism we should have to say that imperialism is the monopoly stage of capitalism.

But very brief definitions, although convenient, are nevertheless inadequate. And so we must give a definition of imperialism that will include the following five of its basic features:

(1) The concentration of production and capital has developed to such a high stage that it has created monopolies.

(2) The merging of bank capital with industrial capital, and the creation, on the basis of this “finance capital”, of a financial oligarchy.

(3) The export of capital as distinguished from the export of commodities acquires exceptional importance.

---

<sup>44</sup> Like a crowd of small business owners storming the Capitol of the monopolist state in the US.

(4) The formation of international monopolist capitalist associations which share the world among themselves.

(5) The territorial division of the whole world among the biggest capitalist powers is completed.

The thing to be noted at this point is that imperialism, as interpreted above, undoubtedly represents a special stage in the development of capitalism.

In the matter of defining imperialism, however, we have to enter into controversy, primarily, with Karl Kautsky, the leader of the so-called Second International.<sup>45</sup>

The fundamental ideas expressed in our definition of imperialism were very resolutely attacked by Kautsky in 1914, when he said that imperialism must not be regarded as a “phase” or stage of economy, but as a policy, a definite policy “preferred” by finance capital. The best way to present Kautsky’s idea is to quote his own definition of imperialism, which is diametrically opposed to the substance of the ideas which I have set.

Kautsky’s definition is as follows:

“Imperialism is a product of highly developed industrial capitalism. It consists in the striving of every industrial capitalist nation to bring under its control or to annex all large areas of *agrarian* [Kautsky’s italics] territory, irrespective of what nations inhabit it.”

This definition is of no use at all because it arbitrarily singles out only the national question (although it is extremely important), and in an equally arbitrary manner pushes into the forefront the annexation of agrarian regions.

Imperialism is a striving for annexations—this is what the political part of Kautsky’s definition amounts to. It is correct, but very incomplete. For the moment, however, we are interested in the economic aspect of the question, which Kautsky himself introduced into his definition. The inaccuracies in Kautsky’s definition are glaring. The characteristic feature of imperialism is

---

<sup>45</sup> What was, for the period of 1889-1914, the largest Communist organization which spanned across numerous countries. This organization infamously collapsed to shambles under the leadership of Karl Kautsky in the course of WWI – Kautsky and the International supported the war. Lenin’s Bolsheviks would go on to create the 3<sup>rd</sup> International, which supplanted the defunct 2<sup>nd</sup> International. I have left the criticism of Kautsky in because it is an extremely useful critique of *a particular line of thought*, and not merely of Kautsky or his organization.

not industrial but finance capital. The characteristic feature of imperialism is precisely that it strives to annex not only agrarian territories, but even most highly industrialised regions, because (1) the fact that the world is already partitioned obliges those contemplating a redivision to reach out for every kind of territory<sup>46</sup>, and (2) an essential feature of imperialism is the rivalry between several great powers in the striving for hegemony, i.e. for the conquest of territory, not so much directly for themselves as for weakening the adversary and undermining his hegemony.<sup>47</sup>

Call it what you will, it makes no difference. The essence of the matter is that Kautsky detaches the politics of imperialism from its economics, speaks of annexations as being a policy “preferred” by finance capital, and opposes to it another bourgeois policy which, he alleges, is possible on this very same basis of finance capital.<sup>48</sup> It follows from Kautsky’s definition that monopolies in the economy are compatible with non-monopolistic, non-violent, non-annexationist methods in politics. It follows, then, that annexation, is compatible with a non-annexationist policy. The result is a slurring-over and a blunting of the most profound contradictions of the latest stage of capitalism, instead of an exposure of their depth.

Kautsky enters into controversy with the German apologist of imperialism and annexations, Cunow, who clumsily and cynically argues that imperialism is present-day capitalism; the development of capitalism is inevitable and progressive; therefore imperialism is progressive; therefore, we should grovel before it and glorify it! Kautsky’s reply to Cunow is as follows: imperialism is not present-day capitalism; it is only one of the *forms* of the policy of present-day capitalism. This policy we can and should fight, fight imperialism, annexations, etc.<sup>49</sup>

The reply seems quite plausible, but in effect it is a more subtle and more disguised (and therefore more dangerous) advocacy of conciliation with imperialism, because a “fight” against the policy of the trusts and banks that does not affect the economic basis of the trusts and banks is mere bourgeois

---

<sup>46</sup> Since all the land is taken up, the monopolists must seize any opportunity to expand, even if it means conflict with gigantic world powers.

<sup>47</sup> Even if one does not want to expand, they *must* in order to prevent their rivals from expanding and gaining economic leverage in world trade – otherwise, *they themselves* will be conquered in the market.

<sup>48</sup> Lenin is saying that the “policy” of imperialism is the *only* policy of finance capital, and any “peace” is really a pause between imperialism’s vicious war for the conquest of territory.

<sup>49</sup> This is the argument put forth by many liberal “anti-war activists”, etc. today.

reformism and pacifism, the benevolent and innocent expression of pious wishes.<sup>50</sup>

Evasion of existing contradictions, forgetting the most important of them, instead of revealing their full depth—such is Kautsky’s theory, which has nothing in common with Marxism.

“From the purely economic point of view,” writes Kautsky, “it is not impossible that capitalism will yet go through a new phase, that of the extension of the policy of the cartels to foreign policy, the phase of ultra-imperialism,” of superimperialism, of a union of the imperialisms of the whole world and not struggles among them, a phase when wars shall cease under capitalism, a phase of “the joint exploitation of the world by internationally united finance capital”.<sup>51</sup>

From the purely economic point of view, is “ultra-imperialism” possible, or is it ultra-nonsense?

If we are discussing the “purely economic” conditions of the epoch of finance capital as a historically concrete epoch which began at the turn of the twentieth century, then the best reply that one can make to the lifeless abstractions of “ultraimperialism” is to contrast them with the concrete economic realities of the present-day world economy. Kautsky’s utterly meaningless talk about ultra-imperialism encourages the profoundly mistaken idea that the rule of finance capital lessens the unevenness and contradictions inherent in the world economy, whereas in reality it increases them.

Compare reality—the vast diversity of economic and political conditions, the extreme disparity in the rate of development of the various countries, etc., and the violent struggles among the imperialist states—with Kautsky’s silly little fable about “peaceful” ultra-imperialism. Is this not the reactionary attempt of a frightened philistine to hide from stern reality? Is not American and other finance capital, which divided the whole world peacefully with Germany’s participation in, for example, the international rail syndicate, or in the international mercantile shipping trust, now engaged in redividing the

---

<sup>50</sup> Bernie Sanders.

<sup>51</sup> In other words, Kautsky’s theory amounts to “The imperialist countries will be so huge and powerful that they won’t be able to imperialize one another, and imperialism will end and give way to peace on Earth.

world on the basis of a new relation of forces that is being changed by methods anything but peaceful?<sup>52</sup>

Finance capital and the trusts do not diminish, but increase the differences in the rate of growth of the various parts of the world economy.

Capitalism is growing with the greatest rapidity in the colonies and in overseas countries. Among the latter, new imperialist powers are emerging (e.g., Japan). The struggle among the world powers is always becoming more acute. The tribute levied by finance capital on the most profitable colonial and overseas enterprises is increasing.

For example, about 80 per cent of the total existing railways are concentrated in the hands of the five biggest powers. But the concentration of the ownership of these railways, the concentration of finance capital, is immeasurably greater since the French and British millionaires, for example, own an enormous amount of shares and bonds in American, Russian and other railways.

The question is: what means other than war could there be under capitalism to overcome the disparity between the development of productive forces and the accumulation of capital on the one side, and the division of colonies and spheres of influence for finance capital on the other?

---

<sup>52</sup> And today, the US and the Germany-led European Union are reaching much a same stage of struggle, as the EU progressively shifts to trade with China.

## VIII. PARASITISM AND DECAY OF CAPITALISM

We now have to examine yet another significant aspect of imperialism to which most of the discussions on the subject usually attach insufficient importance. I refer to parasitism, which is characteristic of imperialism.

As we have seen, the deepest economic foundation of imperialism is monopoly. Like all monopoly, it engenders a tendency of stagnation and decay. Since monopoly prices are established, the motivation of technical and, consequently, of all other progress disappears to a certain extent, and the economic possibility arises of deliberately retarding technical progress.<sup>53</sup>

Further, imperialism is an immense accumulation of money in a few countries, amounting, as we have seen, to billions of francs in securities. Hence the extraordinary growth of a stratum of rentiers, people who live by “clipping coupons”, who take no part in any enterprise whatever, whose profession is idleness. The most essential economic bases of imperialism still more completely isolates the rentiers from production and sets the seal of parasitism on the whole country that lives by exploiting the labour of several overseas countries and colonies.<sup>54</sup>

The term “rentier state” (Rentnerstaat), or usurer state, is coming into common use in the economic literature that deals with imperialism. The world has become divided into a handful of usurer states and a vast majority of debtor states.

“At the top of the list of foreign investments,” says Schulze-Gaevernitz, “are those placed in politically dependent or allied countries: Great Britain grants loans to Egypt, Japan, China and South America. Her navy plays here the part of bailiff in case of necessity. Great Britain’s political power protects her from the indignation of her debtors.”<sup>55</sup>

The rentier state is a state of parasitic, decaying capitalism, and this circumstance cannot fail to influence all the socio-political conditions of the

---

<sup>53</sup> iPhone 5, 6, 7, 8, etc., which change little between models, are produced almost yearly, and serve simply to sustain the highest possible rate of profits.

<sup>54</sup> Most of the EU, UK, and US today live off the labor of some African, South American, Eastern European, and Asian countries.

<sup>55</sup> Today, the US and UK have things like the UN and NATO for this.

countries concerned in general, and the two fundamental trends in the working-class movement in particular.

To demonstrate this in the clearest possible manner let me quote Hobson, who is a most reliable witness, since he cannot be suspected of leaning towards Marxist orthodoxy:

“While the directors of this definitely parasitic policy are capitalists, the same motives appeal to special classes of the workers.”

Two sets of circumstances, in this writer’s opinion, have weakened the old empires: (1) “economic parasitism”, and (2) the formation of armies recruited from subject peoples.<sup>56</sup>

“There is first the habit of economic parasitism, by which the ruling state has used its provinces, colonies, and dependencies in order to enrich its ruling class and to bribe its lower classes into submission.”<sup>57</sup>

And I shall add that the economic possibility of such bribery, whatever its form may be, requires high monopolist profits.

As for the second circumstance, Hobson writes:

“One of the strangest symptoms of the blindness of imperialism is the reckless indifference with which Great Britain, France and other imperial nations are embarking on this perilous dependence. Great Britain has gone farthest. Most of the fighting by which we have won our Indian Empire has been done by natives; in India, as more recently in Egypt, great standing armies are placed under British commanders; almost all the fighting associated with our African dominions, except in the southern part, has been done for us by natives.”<sup>58</sup>

Hobson gives the following economic appraisal of the prospect of the partitioning of China:

“The greater part of Western Europe might then assume the appearance and character already exhibited by the tourist-ridden or residential parts of Italy and Switzerland, little clusters of wealthy aristocrats drawing dividends and pensions from the Far East,

---

<sup>56</sup> This is still the case today.

<sup>57</sup> This bribed class is called the “labor aristocracy”.

<sup>58</sup> Today, the main imperialist power, the US, funds groups to undermine countries only to have them turn and become the US’s greatest threats (ISIS, Mujahedeen/al-Qaeda). They also fund the militaries of foreign republics only for these republics to elect a president opposing the US (Bolivia, Philippines), or facilitate the production and attainment of nuclear weapons in countries which risk being captured by anti-American forces (Israel, India).

with a somewhat larger group of professional retainers and tradesmen and a larger body of personal servants and workers in the transport trade and in the final stages of production of the more perishable goods; all the main arterial industries would have disappeared, the staple foods and manufactures flowing in as tribute from Asia and Africa.<sup>59</sup>

We have foreshadowed the possibility of even a larger alliance of Western states, a European federation of great powers<sup>60</sup> which, so far from forwarding the cause of world civilisation, might introduce the gigantic peril of a Western parasitism, a group of advanced industrial nations, whose upper classes drew vast tribute from Asia and Africa, with which they support [the labor aristocracy], no longer engaged in the staple industries of agriculture and manufacture, but kept in the performance of personal or minor industrial services under the control of a new financial aristocracy.<sup>61</sup>

The significance of a “United States of Europe” in the present imperialist situation is correctly appraised.

**Imperialism, which means the partitioning of the world and the exploitation of other countries, which means high monopoly profits for a handful of very rich countries, makes it economically possible to bribe the upper strata of the proletariat, and thereby fosters and strengthens opportunism.**

[The previous, bolded section is Lenin’s thesis on the labor aristocracy, is one of the foremost principles of Leninism in general: the lower strata of the proletariat follows the upper strata, hence, the proletariat in the imperialist nations is *bribed* in service of imperialism. This makes them *labor aristocrats*. – ed.]

The description of “British imperialism” in Schulze-Gaevernitz’s book reveals the same parasitical traits. The national income of Great Britain approximately doubled from 1865 to 1898, while the income “from abroad” increased nine times in the same period.

While the “merit” of imperialism is that it “trains the Negro to habits of industry”, the “danger” of imperialism lies in that “Europe will shift the burden of physical toil—first agricultural and mining, then the rougher work in industry— abroad, and itself be content with the role of rentier, and in this

---

<sup>59</sup> 60%+ of the US economy is finance and “service”, with a constantly diminishing industrial class.

<sup>60</sup> Since the writing of this, such a thing has occurred, in the form of the European Union.

<sup>61</sup> The “service” industry.

way, perhaps, pave the way for the economic, and later, the political emancipation of the coloured races”.

An increasing proportion of land in England is being taken out of cultivation and used for sport. On horse racing and fox hunting alone England annually spends £14 million.<sup>62</sup> The number of rentiers in England is about one million. The percentage of the productively employed population to the total population is declining.<sup>63</sup>

And in speaking of the British working class the bourgeois is obliged to distinguish systematically between the “upper stratum” of the workers and the “lower stratum of the proletariat proper”. The upper stratum furnishes the bulk of the membership of co-operatives, of trade unions, of sporting clubs and of numerous religious sects.<sup>64</sup> To this level is adapted the electoral system, which in Great Britain is still “sufficiently restricted to exclude the lower stratum of the proletariat proper”!

One of the special features of imperialism connected with the facts I am describing, is the decline in emigration from imperialist countries and the increase in immigration into these countries from the more backward countries where lower wages are paid.<sup>65</sup>

In the United States, immigrants from Eastern and Southern Europe are engaged in the most poorly paid jobs<sup>66</sup>, while American workers provide the highest percentage of overseers or of the better-paid workers. Imperialism has the tendency to create privileged sections also among the workers, and to detach them from the broad masses of the proletariat.

For example, on October 7, 1858, Engels wrote to Marx:

“The English proletariat is actually becoming more and more bourgeois, so that this most bourgeois of all nations is apparently aiming ultimately at the possession of a bourgeois proletariat alongside the bourgeoisie. For a nation which exploits the whole world this is of course to a certain extent justifiable.”

---

<sup>62</sup> \$2.3 billion in today’s money; and in the UK today, the horse-racing industry generates \$4 billion a year. Over in the US, traditional gambling, i.e. casinos, generate \$262 billion a year.

<sup>63</sup> The US has lost over 20% of its manufacturing jobs over the past two-and-a-half decades.

<sup>64</sup> In other words, they control the political and social institutions.

<sup>65</sup> And how true is this problem today!

<sup>66</sup> Now Mexicans, Haitians, Syrians, etc.

Almost a quarter of a century later, in a letter dated August 11, 1881, Engels speaks of the “worst English trade unions which allow themselves to be led by men sold to, or at least paid by, the middle class”. In a letter to Kautsky, dated September 12, 1882, Engels wrote:

“You ask me what the English workers think about colonial policy. Well, exactly the same as they think about politics in general. There is no workers’ party here, there are only Conservatives and Liberals<sup>67</sup>, and the workers gaily share the feast of England’s monopoly of the world market and the colonies.”

[If it was this severe of a problem in the 1880s, imagine what it must be like today, when capitalism is much stronger than then. – *ed.*]

This clearly shows causes and effects. The causes are: (1) exploitation of the whole world by this country; (2) its monopolist position in the world market; (3) its colonial monopoly. The effects are: (1) a section of the British proletariat becomes bourgeois; (2) a section of the proletariat allows itself to be led by men bought by, or at least paid by, the bourgeoisie

Opportunism in a number of countries has grown overripe and rotten, and has become completely merged with bourgeois policy in the form of “social-chauvinism”.

---

<sup>67</sup> Is this not familiar?

## IX. CRITIQUE OF IMPERIALISM

By the critique of imperialism, in the broad sense of the term, we mean the attitude of the different classes of society towards imperialist policy in connection with their general ideology.

The enormous dimensions of finance capital concentrated in a few hands and creating a dense and widespread network of relationships and connections which subordinates all the smaller capitalists on the one hand, and the increasingly intense struggle waged against other national state groups of financiers for the division of the world and domination over other countries, on the other hand, cause the propertied classes to go over entirely to the side of imperialism. “General” enthusiasm over the prospects of imperialism, furious defence of it and painting it in the brightest colours—such are the signs of the times. Imperialist ideology also penetrates the working class.

Bourgeois scholars and publicists usually come out in defence of imperialism in a somewhat veiled form; they obscure its complete domination and its deep-going roots, **they strive to push secondary details into the forefront and do their very best to distract attention from essentials by means of absolutely ridiculous schemes for “reform”, such as police supervision of the trusts or banks**, etc. Cynical and frank imperialists who are bold enough to admit the absurdity of the idea of reforming the fundamental characteristics of imperialism are a rarer phenomenon.<sup>68</sup>

Here is an example. The German imperialists attempt, in the magazine *Archives of World Economy*, to follow the national emancipation movements in the colonies, particularly, of course, in colonies other than those belonging to Germany. They note the protest movements in India, etc. One of them writes as follows:

“We are told that we must fight imperialism; that the ruling states should recognise the right of subject peoples to independence; that an international tribunal should supervise the fulfillment of treaties concluded between the great powers and weak peoples. But imperialism is inseparably bound up with capitalism in its present form and that, therefore, an open struggle against imperialism would be hopeless, unless, perhaps, the fight were to be confined to protests against certain of its especially abhorrent excesses.”

---

<sup>68</sup> Donald Trump.

The questions as to whether it is possible to reform the basis of imperialism, whether to go forward to the further intensification and deepening of the antagonisms which it engenders, or backward, towards alleviating these antagonisms, are fundamental questions in the critique of imperialism. Since the specific political features of imperialism are reaction everywhere and increased national oppression due to the oppression of the financial oligarchy and the elimination of free competition, a petty-bourgeois-democratic opposition to imperialism arose at the beginning of the twentieth century in nearly all imperialist countries.

In the United States, the imperialist war waged against Spain in 1898 stirred up the opposition of the “anti-imperialists”, who declared this war to be “criminal”, regarded the annexation of foreign territories as a violation of the Constitution, and declared that the treatment of Aguinaldo, leader of the Filipinos (the Americans promised him the independence of his country, but later landed troops and annexed it), was “jingo treachery”. But as long as all this criticism refrained from recognising the inseverable bond between imperialism and the trusts, and, therefore, between imperialism and the foundations of capitalism, while it shrank from joining the forces engendered by large-scale capitalism and its development – it remained a “pious wish”.<sup>69</sup>

The compiler of international stock and share issue statistics, A. Neymarck, who, after calculating the thousands of millions of francs representing “international” securities, exclaimed in 1912:

“Is it possible to believe that peace may be disturbed, that in the face of these enormous figures, anyone would risk starting a war?”

Such simple-mindedness on the part of the bourgeois economists is not surprising; moreover, it is in their interest to pretend to be so naive and to talk “seriously” about peace under imperialism.

Here is a sample of Kautsky’s economic criticism of imperialism. He concludes that:

“We have no reason to suppose that without military occupation the growth of British trade with Egypt would have been less, simply as a result of the mere operation of economic factors... The urge of capital to expand ... can be best promoted, not by the violent methods of imperialism, but by peaceful democracy.”

---

<sup>69</sup> In other words, for as long as the petit-bourgeoisie did not cooperate with the proletariat, it was powerless to stop war from breaking out.

Trade with Egypt (or with any other colony) “would have grown more” without military occupation, without imperialism, and without finance capital (according to Kautsky). What does this mean? That capitalism would have developed more rapidly if free competition had not been restricted by monopolies?

Kautsky’s argument can have no other meaning; and this “meaning” is meaningless. Let us assume that free competition, without any sort of monopoly, would have developed capitalism and trade more rapidly. But the more rapidly trade and capitalism develop, the greater is the concentration of production and capital which gives rise to monopoly. And monopolies have already arisen—precisely out of free competition! Even if monopolies have now begun to retard progress, it is not an argument in favour of free competition, which has become impossible after it has given rise to monopoly.

The notorious theory of “ultra-imperialism”, invented by Kautsky, is just as reactionary.

After the Anglo-Boer War it was quite natural for the financiers to exert their main efforts to console the British middle class and the workers who had lost many of their relatives on the battlefields of South Africa.<sup>70</sup> And what better consolation could there be than the theory that imperialism is not so bad; that it stands close to ultra-imperialism, which can ensure permanent peace? No matter what the good intentions of the sentimental Kautsky may have been, the only objective, real social significance of Kautsky’s “theory” is this: it is a most reactionary method of consoling the masses with hopes of permanent peace being possible under capitalism, by distracting their attention from the sharp antagonisms and acute problems of the present times, and directing it towards illusory prospects of an imaginary “ultraimperialism” of the future.

Deception of the masses—that is all there is in Kautsky’s “Marxist” theory.

Let us assume that all the imperialist countries conclude an alliance for the “peaceful” division of Asia; this alliance would be an alliance of “internationally united finance capital”. There are actual examples of alliances of this kind in the history of the twentieth century—the attitude of the powers to China, for instance. We ask, is it “conceivable”, assuming that the capitalist

---

<sup>70</sup> Consider all the phony praise showered on troops in the US as they’re left limbless and homeless.

system remains intact, that such alliances would be more than temporary, that they would eliminate friction, conflicts and struggle in every possible form?<sup>71</sup>

Half a century ago Germany was a miserable, insignificant country, if her capitalist strength is compared with that of the Britain of that time; Japan compared with Russia in the same way. Is it “conceivable” that in ten or twenty years’ time the relative strength of the imperialist powers will have remained unchanged? It is out of the question.<sup>72</sup>

Therefore, in the realities of the capitalist system, “inter-imperialist” or “ultra-imperialist” alliances, no matter what form they may assume, whether of one imperialist coalition against another, or of a general alliance embracing all the imperialist powers, are inevitably nothing more than a “truce” in periods between wars. Peaceful alliances prepare the ground for wars, and in their turn grow out of wars; the one conditions the other, producing alternating forms of peaceful and warring struggle on one and the same basis of imperialist connections and relations within world economics and world politics.<sup>73</sup>

Imperialism is the epoch of finance capital and of monopolies, which introduce everywhere the striving for domination, not for freedom. Particularly intensified become the yoke of national oppression and the striving for annexations.

Hilferding rightly notes the connection between imperialism and the intensification of national oppression.

“In the newly opened-up countries,” he writes, “the capital imported into them intensifies antagonisms and provokes the constantly growing resistance of the peoples who are awakening to national consciousness; this resistance can easily develop into dangerous measures against foreign capital... Capitalism itself gradually provides the subjugated with the means and resources for their emancipation<sup>74</sup> and they set out to achieve the goal which once seemed highest to the European nations: the creation of a united national state as a means to economic and cultural freedom.”

---

<sup>71</sup> Just recently, for instance, the UK left the EU, the first country to do so.

<sup>72</sup> Today, it is the US that is the prime imperial power. Is it conceivable that the US will always hold this position, and will not be eventually bested by a temporary alliance against it, and plunged into poverty and backwardness?

<sup>73</sup> As Stalin put it: “Social-Democracy is the moderate wing of [imperialism]” – peace is the moderate wing of war. It is war in its hibernation stage.

<sup>74</sup> Factories (including arms and explosives factories), railroads, etc.

To this must be added that it is not only in newly opened-up countries, but also in the old, that imperialism is leading to annexation, to increased national oppression, and, consequently, also to increasing resistance.

Let us suppose that a Japanese condemns the annexation of the Philippines by the Americans. The question is: will many believe that he does so because he has a horror of annexations as such, and not because he himself has a desire to annex the Philippines?<sup>75</sup>

---

<sup>75</sup> Why do Americans, Brits, and Australians protest the actions of China in Hong Kong and Taiwan, the Taliban in Afghanistan, or Russia in Crimea?

## X. THE PLACE OF IMPERIALISM IN HISTORY

We have seen that in its economic essence imperialism is monopoly capitalism. This in itself determines its place in history, for monopoly that grows out of the soil of free competition, and precisely out of free competition, is the transition from the capitalist system to a higher order. We must take special note of the four principal types of monopoly, or principal manifestations of monopoly capitalism, which are characteristic of the epoch we are examining.

Firstly, monopoly arose out of the concentration of production at a very high stage. At the beginning of the twentieth century, monopolies had acquired complete supremacy in the advanced countries.

Secondly, monopolies have seized some of the most important sources of raw materials, especially for the basic and most highly cartelised industries in capitalist society: the coal and iron industries. The monopoly of the most important sources of raw materials has enormously increased the power of big capital, and has sharpened the antagonism between large and small industry.

Thirdly, monopoly has sprung from the banks. The banks have developed from modest middleman enterprises into the monopolists of finance capital. A financial oligarchy, which throws a close network of dependence relationships over all the economic and political institutions of present-day society without exception—such is the most striking manifestation of this monopoly.

Fourthly, monopoly has grown out of colonial policy. To the numerous “old” motives of colonial policy, finance capital has added the struggle for the sources of raw materials, for the export of capital, for spheres of influence, profitable deals, concessions, monopoly profits and so on, economic territory in general.

The extent to which monopolist capital has intensified all the contradictions of capitalism is generally known. It is sufficient to mention the high cost of living and the tyranny of the cartels. This intensification of contradictions constitutes the most powerful driving force of the transitional period of history, which began from the time of the final victory of world finance capital.

Monopolies, oligarchy, the striving for domination and not for freedom, the exploitation of an increasing number of small or weak nations by a handful of

the richest or most powerful nations—all these have given birth to those distinctive characteristics of imperialism which compel us to define it as parasitic or decaying capitalism. More and more prominently there emerges, as one of the tendencies of imperialism, the creation of the “rentier state”, in which the people to an ever-increasing degree live on the proceeds of capital export.

It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a greater or lesser degree, one another. On the whole, capitalism is growing far more rapidly than before; but this growth is not only becoming more and more uneven in general, its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital.

The receipt of high monopoly profits by the capitalists in one of the numerous branches of industry, in one of the numerous countries, etc., makes it economically possible for them to bribe certain sections of the workers and win them to the side of the bourgeoisie of a given industry or given nation against all the others. The intensification of antagonisms between imperialist nations for the division of the world increases this urge. And so there is created that bond between imperialism and opportunism, which revealed itself first and most clearly in Great Britain, owing to the fact that certain features of imperialist development were observable there much earlier than in other countries. The most dangerous of all in this respect are those who do not wish to understand that the fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism.

From all that has been said in this book on the economic essence of imperialism, it follows that we must define it as capitalism in transition, or, more precisely, as dying capitalism.

Ownership of shares, the relations between owners of private property “interlock in a haphazard way”. But underlying this interlocking, its very base, are the changing social relations of production.

When a big enterprise assumes gigantic proportions, and, on the basis of an exact computation of mass data, organises according to plan the supply of primary raw materials to the extent of two-thirds, or three-fourths, of all that is necessary for tens of millions of people; when these products are distributed

according to a single plan among tens and hundreds of millions of consumers —then it becomes evident that we have socialisation of production.

The enthusiastic admirer of German imperialism, Schulze-Gaevernitz, exclaims:

“Once the supreme management of the German banks has been entrusted to the hands of a dozen persons, their activity is even today more significant for the public good than that of the majority of the Ministers of State... If we imagine the development of those tendencies carried to their logical conclusion, then the forecast of that genius Saint-Simon will be fulfilled:

‘The present anarchy of production must make way for organisation in production. Production will no longer be directed by isolated manufacturers, independent of each other and ignorant of man’s economic needs; that will be done by a certain public institution. A central committee of management, being able to survey the large field of social economy from a more elevated point of view, will regulate it for the benefit of the whole of society, will put the means of production into suitable hands, and above all will take care that there be constant harmony between production and consumption.’ We are still a long way from the fulfilment of Saint-Simon’s forecast, but we are on the way towards it.”

A crushing “refutation” of Marx indeed, which retreats a step from Marx’s precise, scientific analysis to Saint-Simon’s guess-work, the guess-work of a genius, but guess-work all the same.